

**RESPONSE OF THE COFINA AGENT TO
MOTION BY THE AMERICAN FEDERATION OF STATE, COUNTY
AND MUNICIPAL EMPLOYEES, AFL-CIO (AFSCME) TO COMPEL
COMPLIANCE WITH THE AUGUST 10, 2017 STIPULATION AND ORDER**

1. The COFINA Agent submits this Response to refute the assertion by AFSCME that the COFINA Agent has acted improperly or in violation of the Stipulation. AFSCME recognizes that the COFINA Agent issued a press release on May 14, 2018 correcting

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

the inaccurate and unauthorized statement by the Ad Hoc Group of General Obligation Bondholders regarding the COFINA Agent's position on the proposed settlement. Motion ¶ 12. But the Motion nevertheless suggests that the COFINA Agent has acted improperly and violated the Stipulation because she has not "denied or stated any objection to having been approached by the Supporting Parties." Motion ¶ 14.

2. The COFINA Agent cannot and will not provide any detailed responses to the assertions of the Motion because of the confidentiality requirements of the mediation process. However, throughout the mediation process, the COFINA Agent has acted appropriately, in good faith, and in a manner consistent with the Stipulation.³ The Motion's assertion to the contrary is baseless.⁴ The COFINA Agent has not violated (and will not violate) the Stipulation.

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³ Accordingly, the COFINA Agent is protected by the immunity granted by the Court for all actions of the COFINA Agent in connection with the litigation or mediation of the Commonwealth-COFINA Dispute. Case No. 17-3283, Docket No. 1612; Adv. Pro. No. 17-257, Docket No. 284.

⁴ On the date hereof, counsel to the COFINA Agent wrote a letter to counsel for AFCSME formally requesting the amendment of the Motion to remove any suggestion that the COFINA Agent has violated the Stipulation or acted inappropriately.

Dated: May 18, 2018
New York, New York

Respectfully submitted,

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